

Legislative
Fiscal Division



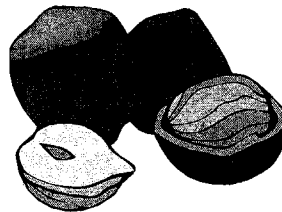
Senate Bill 495

(2001 session)

and Effects of SB 55

(2007 session)

In a Nutshell



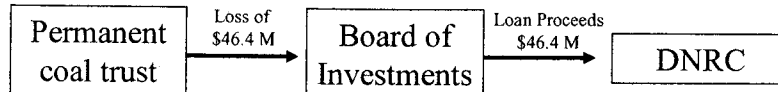
Key Points



- Before SB 495, net mineral royalties became part of school trust corpus
- Land Board sold \$138.9 million of future net mineral royalties from the school trust
- \$138.9 M discounted at 9.81% over 30 years equals \$46.4 M
- \$46.4 million borrowed from the coal trust
- \$46.4 million deposited in school trust
- Net mineral royalties used to:
 - Pay loan interest & principal
 - Reduce general fund appropriations for public schools

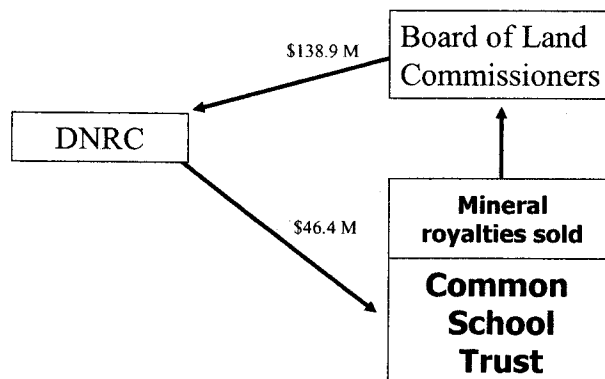
Senate Bill 495

The Loan



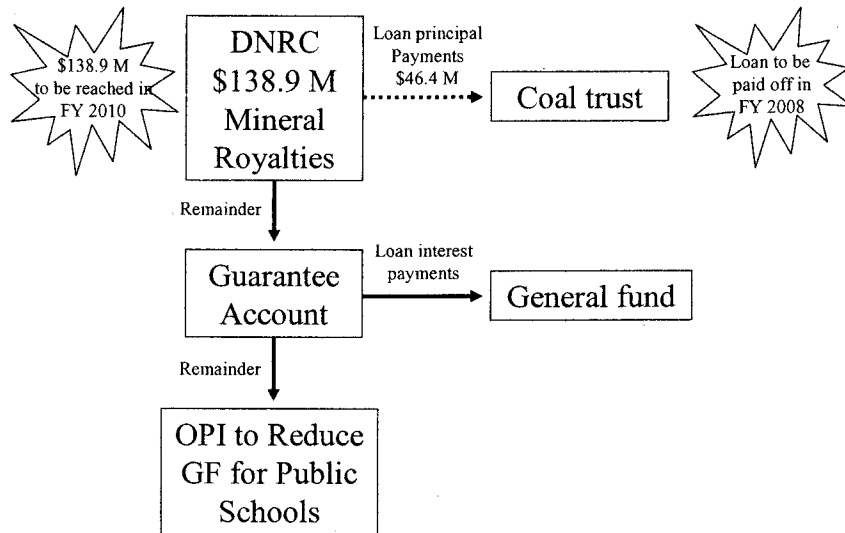
Senate Bill 495

The Sale/Purchase



Senate Bill 495

Mineral Royalties/Loan Payments



Senate Bill 495

Effects of SB 55 Once Loan is Repaid in FY 2008

